THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) Extant policy of Foreign Direct Investment (FDI) is incorporated under Schedule I of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulation, 2000, notified under the Foreign Exchange Management Act (FEMA), 1999, as the FDI Scheme. Any investment by non-resident entities, including overseas private equity funds, is governed by the FDI Scheme. As per the FDI policy, acquisition of shares in an Indian company is allowed on the automatic route subject to the FDI caps and sectoral policy, and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997. Investments made under the Portfolio Investment Scheme are governed by Schedule 2 of the FEMA Regulations. FDI under the automatic route is reported to RBI and under the Government approval route requires prior approval of Government. The entire FDI data is analysed by Department of Industrial Policy and Promotion (DIPP) on a monthly basis. DIPP is not considering any separate monitoring mechanism for overseas Private Equity funds.

(b) Does not arise.

(c) FDI by overseas Private Equity funds constituted long term capital.

(d) and (e) As per the FDI statistics maintained by the Government, out of the total FDI inflows of US$ 62.8 billion received since 1996, inflows through acquisition amounted to US$ 14.9 billion and inflows through routes other than acquisition amounted to US$ 47.9 billion.

Crisis in Indian seafood industry due to rupee appreciation

2496. SHRI C. RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Indian seafood industry is facing its gravest crisis due to cascading impact of rupee strengthening, surging fuel prices and the US anti dumping duty imposed on Indian shrimp;

(b) if so, whether any steps are being mooted to bring relief to the seafood exporters and the millions of fishermen who earn their living from the said seafood exports;

(c) if so, the details thereof alongwith the alternative sources of livelihood created to help the fishermen; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Yes, Sir.

(b) The Government has already announced the following relief measures to protect the seafood industry:

(i) DEPB rates enhanced by 3% for the marine products w.e.f. 01.4.2007 has been extended beyond 31.3.2008 as a special package for immediate relief from rupee appreciation.

(ii) Shrimps and prawns (ITC HS codes "030613" and "160520") have been brought under the Vishesh Krishi and Gram Udyog Yojana (VKGUY) scheme. Under the

scheme duty credit scrip benefits are granted to the tune of 3.5% of the F.O.B. value of exports with an aim to compensate high transport costs.

(iii) The Government of India has decided to provide subvention of 4% in the rate of interest in pre-shipment and post-shipment credit to the marine products export sector.

(iv) The Government of India has also announced exemption from payment of service tax in respect of 15 taxable services linked to exports.

(c) MPEDA has started promoting deep sea fishing for tuna. Sashimi grade tuna fetches a very high price and is very much relished in the Japanese market. The Government has already extended assistance for conversion of existing fishing vessels to tuna long liners. Recently the Government has also introduced a scheme to provide financial assistance in the form of interest subsidy for construction of tuna long liners. It is expected that these measures will help fishermen to shifting their operations in deep sea fishing reduce pressure in the coastal waters.

(d) Not applicable.

FTA with China

2497. MS. MABEL REBELLO:
SHRI B.J. PANDA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) what is the status of setting up an FTA with China;

(b) what are the details of countries with which India has FTAs; and

(c) how far will these initiatives help to boost bilateral trade between both the countries?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) In pursuance to the recommendations of the JSG, a Joint Task Force, (JTF) to study in detail the feasibility and the benefits that may derive from an India-China Regional Trading Arrangement (RTA), was constituted. The JTF has concluded that an RTA between India and China which reduces tariffs and removes non-tariff barriers will be mutually advantageous. During the Prime Minister's visit to China the two Prime Ministers agreed to entrust to the two Commerce Ministers to explore ways to act further on the recommendations of the JTF.

(b) India has signed the following Free Trade Agreements (FTAs) and Preferential Trading Agreements (PTAs):

A-FTAs:

(i) India-Sri Lanka FTA

(ii) South Asia FTA

(iii) India-Singapore CECA

(iv) India-Nepal Treaty of Trade

(v) India-Bhutan Agreement on Tarde Commerce and Transit